



DEPARTMENT OF COMMERCE

International Trade Administration

[C-570-971]

Multilayered Wood Flooring from the People's Republic of China: Preliminary Results of Countervailing Duty Administrative Review, and Intent to Rescind Review, in Part; 2019

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (Commerce) preliminarily determines that countervailable subsidies are being provided to producers and exporters of multilayered wood flooring (wood flooring) from the People's Republic of China (China). The period of review (POR) is January 1, 2019, through December 31, 2019. Interested parties are invited to comment on these preliminary results of review.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Dennis McClure, AD/CVD Operations, Office VIII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-5973.

SUPPLEMENTARY INFORMATION:

Background

On December 8, 2011, Commerce issued a countervailing duty (CVD) order on multilayered wood flooring from China.¹ Several interested parties requested that Commerce conduct an administrative review of the *Order*. On February 4, 2021, Commerce published in

¹ See *Multilayered Wood Flooring from the People's Republic of China: Countervailing Duty Order*, 76 FR 76693 (December 8, 2011) (*Order*).

the *Federal Register* a notice of initiation of an administrative review of the *Order*.² On March 4 and October 7, 2021, we published in the *Federal Register* additional notices of initiation of an administrative review for two companies that were inadvertently excluded from the February 4, 2021 notice. Altogether, we initiated an administrative review of 171 producers/exporters for the POR.³ On June 15, 2021, we rescinded this administrative review, in part, with respect to 88 companies, based on timely withdrawal of review requests.⁴ For events that occurred since the *Initiation Notice*, see the Preliminary Decision Memorandum.⁵

Scope of the Order

The product covered by the *Order* is wood flooring from China. For a complete description of the scope of the *Order*, see the Preliminary Decision Memorandum.

Intent to Rescind Administrative Review, in Part

The following parties submitted no shipment certifications: Anhui Longhua Bamboo Product Co., Ltd. (Anhui); Benxi Flooring Factory (General Partnership) (Benxi); Dalian Deerfu Wooden Product Co., Ltd. (Deerfu); Dalian Shengyu Science and Technology Development Co., Ltd. (Shengyu); Dunhua Dexin Wood Industry Co., Ltd. / Dunhua City Dexin Wood Industry Co., Ltd. (Dexin); Jiangsu Yuhui International Trade Co., Ltd. (Yuhui); Jiashan Fengyun Timber Co., Ltd. (Fengyun); Jiaxing Hengtong Wood Co., Ltd. (Hengtong); Kember Flooring, Inc. (Kember); Kingman Wood Industry Co., Ltd. (Kingman); Muchsee Wood (Chuzhou) Co., Ltd. (Muchsee); Power Dekor Group Co., Ltd. (Power Dekor); Yingyi-Nature (Kunshan) Wood Industry Co., Ltd. (Yingyi-Nature); Zhejiang Dadongwu Greenhome Wood Co., Ltd. (Dadongwu); Zhejiang Shiyou Timber Co., Ltd. (Shiyou); and Zhejiang Shuimojiangnan New

² See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 86 FR 8166 (February 4, 2021) (*Initiation Notice*).

³ Metropolitan Hardwood Floors, Inc. and Kember Flooring Inc., a.k.a. Kember Hardwood Flooring Inc. were inadvertently omitted from the initiation notice that published on February 4, 2021. See also *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 86 FR 12599 (March 4, 2021); and *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 86 FR 55811 (October 7, 2021).

⁴ See *Multilayered Wood Flooring from the People's Republic of China: Partial Rescission of Countervailing Duty Administrative Review; 2019*, 86 FR 31696 (June 15, 2021) (*Partial Rescission*).

⁵ See Memorandum, "Decision Memorandum for the Preliminary Results in the Countervailing Duty Administrative Review of Multilayered Wood Flooring from the People's Republic of China; 2019," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

Material Technology Co., Ltd. (New Material). Based on our analysis of U.S. Customs and Border Protection (CBP) information and comments received from interested parties, we preliminarily determine that eleven companies, Anhui; Benxi; Shengyu; Dexin; Yuhui; Kingman; Muchsee; Power Dekor; Yingyi-Nature; Shiyou; and New Material, had no shipments of subject merchandise during the POR.^{6,7} Absent any evidence of shipments placed on the record, pursuant to 19 CFR 351.213(d)(3), we intend to rescind the administrative review of these companies in the final results of review. Based on our analysis of CBP information and comments received from interested parties, we preliminarily determine that Kember, Hengtong and Dadongwu made shipments during the POR. For additional information regarding this determination, *see* the Preliminary Decision Memorandum.

Methodology

Commerce is conducting this review in accordance with section 751(a)(1)(A) of the Tariff Act of 1930, as amended (the Act). For each of the subsidy programs found countervailable, we preliminarily determine that there is a subsidy, *i.e.*, a financial contribution by an “authority” that confers a benefit to the recipient, and that the subsidy is specific.⁸ For a full description of the methodology underlying our preliminary conclusions, including our reliance, in part, on adverse facts available pursuant to sections 776(a) and (b) of the Act, *see* the Preliminary Decision Memorandum.

The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance’s Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at

⁶ *See* Memorandum, “No Shipment Inquiry for Certain Companies During the Period 01/01/2019 through 12/31/2019,” dated November 17, 2021.

⁷ We did not consider Deerfu’s no shipment certification and Fengyun’s no shipment certification because we rescinded the review for these companies. *See Partial Rescission*, 86 FR at 31697.

⁸ *See* sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and section 771(5A) of the Act regarding specificity.

<https://access.trade.gov/public/FRNoticesListLayout.aspx>. A list of topics discussed in the Preliminary Decision Memorandum is included as Appendix I to this notice.

Preliminary Rate for Non-Selected Companies Under Review

As discussed above, Commerce initiated this administrative review on 171 producers/exporters; rescinded this administrative review, in part, with respect to 88 producers/exporters; and intends to rescind this review with respect to eleven companies that have certified no shipments during the POR. In addition, Commerce selected two mandatory respondents, Jiangsu Senmao Bamboo and Wood Industry Co., Ltd. (Jiangsu Senmao) and Riverside Plywood Corp. (Riverside Plywood) for individual examination.⁹ For the remaining 67 companies subject this review, because the rates calculated for the mandatory respondents were above *de minimis* and not based entirely on facts available, we applied a subsidy rate based on a weighted-average of the subsidy rates calculated for Jiangsu Senmao and Riverside Plywood using publicly ranged sales data submitted by these mandatory respondents. This methodology to establish the all-others subsidy rate is consistent with our practice and section 705(c)(5)(A) of the Act. For further information on the calculation of the non-selected respondent rate, refer to the section in the Preliminary Decision Memorandum entitled “Non-Selected Companies Under Review.” For a list of the non-selected companies, *see* Appendix II to this notice.

⁹ Cross-owned affiliates are Baroque Timber Industries (Zhongshan) Co., Ltd.; Suzhou Times Flooring Co., Ltd.; and Zhongshan Lianjia Flooring Co., Ltd.

Preliminary Results of the Review

In accordance with 19 CFR 351.221(b)(4)(i), we calculated a countervailable subsidy rate for each of the mandatory respondents, Jiangsu Senmao and Riverside Plywood, and their cross-owned affiliates, where applicable.

We preliminarily find the countervailable subsidy rates for the mandatory and non-selected respondents under review to be as follows:

Producer/Exporter	Subsidy Rate (percent)
Riverside Plywood Corp. and its Cross-Owned Affiliates ¹⁰	22.70
Jiangsu Senmao Bamboo and Wood Industry Co., Ltd.	5.50
Non-Selected Companies Under Review ¹¹	15.71

Disclosure

We intend to disclose to interested parties the calculations performed for these preliminary results in accordance with 19 CFR 351.224(b).

Verification

As provided in section 782(i)(3) of the Act, Commerce intends to verify the information relied upon for its final results. Normally, Commerce verifies information using standard procedures, including an on-site examination of original accounting, financial, and sales documentation. However, due to current travel restrictions in response to the global COVID-19 pandemic, Commerce is unable to conduct on-site verification in this review. Accordingly, we intend to verify the information relied upon for the final results through alternative means in lieu of an on-site verification.

¹⁰ Cross-owned affiliates are Baroque Timber Industries (Zhongshan) Co., Ltd.; Suzhou Times Flooring Co., Ltd.; and Zhongshan Lianjia Flooring Co., Ltd.

¹¹ See Appendix II.

Public Comment

Case briefs or other written comments may be submitted to the Assistant Secretary for Enforcement and Compliance. A timeline for the submission of case and rebuttal briefs and written comments will be provided to interested parties at a later date.¹² Note that Commerce has temporarily modified certain of its requirements for serving documents containing business proprietary information until further notice.¹³

Pursuant to 19 CFR 351.309(c)(2) and (d)(2), parties who submit case briefs or rebuttal briefs in this review are encouraged to submit with each argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing, limited to issues raised in the case and rebuttal briefs, must submit a written request to the Assistant Secretary for Enforcement and Compliance, U.S. Department of Commerce, within 30 days after the date of publication of this notice. Requests should contain the party's name, address, and telephone number, the number of participants, and a list of the issues to be discussed. If a request for a hearing is made, Commerce intends to hold the hearing at a time and date to be determined. Parties should confirm by telephone the date and time of the hearing two days before the scheduled date.

An electronically filed document must be received successfully in its entirety by ACCESS by 5:00 p.m. Eastern Time on the established deadline.

¹² See 19 CFR 351.309(c) and (d).

¹³ See *Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19; Extension of Effective Period*, 85 FR 29615 (May 18, 2020); and *Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19; Extension of Effective Period*, 85 FR 41363 (July 10, 2020).

Final Results

Unless extended, we intend to issue the final results of this administrative review, which will include the results of our analysis of the issues raised in the case briefs, within 120 days of publication of these preliminary results in the *Federal Register*, pursuant to section 751(a)(3)(A) of the Act and 19 CFR 351.213(h).

Assessment Rates

In accordance with 19 CFR 351.221(b)(4)(i), we preliminarily assigned subsidy rates in the amounts shown above for the producer/exporters shown above. Upon completion of the administrative review, consistent with section 751(a)(1) of the Act and 19 CFR 351.212(b)(2), Commerce shall determine, and CBP shall assess, countervailing duties on all appropriate entries covered by this review. For the companies for which this review is rescinded, Commerce will instruct CBP to assess countervailing duties on all appropriate entries at a rate equal to the cash deposit of estimated countervailing duties required at the time of entry, or withdrawal from warehouse, for consumption, during the period January 1, 2019, through December 31, 2019, in accordance with 19 CFR 351.212(c)(1)(i). Commerce intends to issue assessment instructions to CBP no earlier than 35 days after the date of publication of the final results of this review in the *Federal Register*. If a timely summons is filed at the U.S. Court of International Trade, the assessment instructions will direct CBP not to liquidate relevant entries until the time for parties to file a request for a statutory injunction has expired (*i.e.*, within 90 days of publication).

Cash Deposit Requirements

In accordance with section 751(a)(1) of the Act, Commerce intends, upon publication of the final results, to instruct CBP to collect cash deposits of estimated countervailing duties in the amounts shown for each of the respective companies listed above and in Appendix II on shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this administrative review. For all non-reviewed firms, we will instruct CBP to continue to collect cash deposits at the most recent

company-specific or all-others rate applicable to the company. These cash deposit requirements, when imposed, shall remain in effect until further notice.

Notification to Interested Parties

These preliminary results are issued and published pursuant to sections 751(a)(1) and 777(i)(1) of the Act, and 19 CFR 351.221(b)(4).

Dated: December 17, 2021.

Ryan Majerus,
Deputy Assistant Secretary
for Policy and Negotiations,
Performing the Non-Exclusive Functions and Duties of the
Assistant Secretary for Enforcement and Compliance.

Appendix I

List of Topics Discussed in the Preliminary Decision Memorandum

- I. Summary
- II. Background
- III. Non-Selected Companies Under Review
- IV. Scope of the Order
- V. Diversification of China's Economy
- VI. Use of Facts Otherwise Available and Application of Adverse Inferences
- VII. Subsidies Valuation
- VIII. Interest Rate Benchmarks, Discount Rates, Inputs, Land-Use and Electricity Benchmarks
- IX. Analysis of Programs
- X. Recommendation

Appendix II

Non-Selected Companies Under Review

1. Anhui Boya Bamboo & Wood Products Co., Ltd.
2. Anhui Yaolong Bamboo & Wood Products Co. Ltd.
3. Armstrong Wood Products (Kunshan) Co., Ltd.
4. Benxi Wood Company
5. Changzhou Hawd Flooring Co., Ltd.
6. Dalian Guhua Wooden Product Co., Ltd.
7. Dalian Huilong Wooden Products Co., Ltd.
8. Dalian Jaenmaken Wood Industry Co., Ltd.
9. Dalian Jiahong Wood Industry Co., Ltd.
10. Dalian Kemian Wood Industry Co., Ltd.
11. Dalian Penghong Floor Products Co., Ltd.
12. Dalian Qianqiu Wooden Product Co., Ltd.
13. Dalian Shumaike Floor Manufacturing Co., Ltd.
14. Dalian T-Boom Wood Products Co., Ltd.
15. Dongtai Fuan Universal Dynamics, LLC
16. Dun Hua Sen Tai Wood Co., Ltd.
17. Dunhua City Hongyuan Wood Industry Co., Ltd.
18. Dunhua City Jisen Wood Industry Co., Ltd.
19. Dunhua Shengda Wood Industry Co., Ltd.
20. Fine Furniture (Shanghai) Limited
21. Fusong Jinlong Wooden Group Co., Ltd.
22. Fusong Jinqiu Wooden Product Co., Ltd.
23. Fusong Qianqiu Wooden Product Co., Ltd.
24. Guangdong Yihua Timber Industry Co., Ltd.
25. Guangzhou Homebon Timber Manufacturing Co., Ltd.
26. HaiLin LinJing Wooden Products Co., Ltd.
27. Hangzhou Hanje Tec Company Limited
28. Hangzhou Zhengtian Industrial Co., Ltd.
29. Hunchun Forest Wolf Wooden Industry Co., Ltd.
30. Hunchun Xingjia Wooden Flooring Inc.
31. Huzhou Chenghang Wood Co., Ltd.
32. Huzhou Fulinmen Imp. & Exp. Co., Ltd.
33. Huzhou Jesonwood Co., Ltd.
34. Huzhou Sunergy World Trade Co., Ltd.
35. Jiangsu Guyu International Trading Co., Ltd.
36. Jiangsu Keri Wood Co., Ltd.
37. Jiangsu Mingle Flooring Co., Ltd.
38. Jiangsu Simba Flooring Co., Ltd.
39. Jiashan HuiJiaLe Decoration Material Co., Ltd.
40. Jiashan On-Line Lumber Co., Ltd.
41. Jiaxing Brilliant Import & Export Co., Ltd.
42. Jiaxing Hengtong Wood Co., Ltd.
43. Jilin Xinyuan Wooden Industry Co., Ltd.
44. Karly Wood Product Limited
45. Kember Flooring, Inc., a.k.a. Kember Hardwood Flooring, Inc.
46. Kemian Wood Industry (Kunshan) Co., Ltd.
47. Kingman Floors Co., Ltd.
48. Lauzon Distinctive Hardwood Flooring

49. Linyi Anying Wood Co., Ltd.
50. Linyi Youyou Wood Co., Ltd. (successor-in-interest to Shanghai Lizhong Wood Products Co., Ltd.) (a/k/a The Lizhong Wood Industry Limited Company of Shanghai)
51. Metropolitan Hardwood Floors, Inc.
52. Pinghe Timber Manufacturing (Zhejiang) Co., Ltd.
53. Power Dekor North America Inc.
54. Scholar Home (Shanghai) New Material Co. Ltd.
55. Shanghaifloor Timber (Shanghai) Co., Ltd.
56. Sino-Maple (Jiangsu) Co., Ltd.
57. Suzhou Dongda Wood Co., Ltd.
58. Tongxiang Jisheng Import and Export Co., Ltd.
59. Xiamen Yung De Ornament Co., Ltd.
60. Xuzhou Shenghe Wood Co., Ltd.
61. Yekalon Industry, Inc.
62. Yihua Lifestyle Technology Co., Ltd.
63. Zhejiang Dadongwu GreenHome Wood Co., Ltd. (a.k.a. Zhejiang Dadongwu Greenhome Wood Co., Ltd. and Zhejiang Dadongwu Green Home Wood Co., Ltd.)
64. Zhejiang Fuerjia Wooden Co., Ltd.
65. Zhejiang Jiechen Wood Industry Co., Ltd.
66. Zhejiang Longsen Lumbering Co., Ltd.
67. Zhejiang Simite Wooden Co., Ltd.

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